India. First, the Cash Reserve Ratio (CRR) to be maintained by the scheduled commercial banks against their net demand and time liabilities (NDTL) was increased from 10 per cent to 11 per cent, effective August 29, 1998 in order to absorb excess liquidity. Second, vigorous open market operations by the Reserve Bank coupled with increase in repo rates from 5 per cent to 8 per cent on August 20, 1998 has contributed to the decline in monetary growth.

World Bank Prediction Regarding Slowing down of Global Economy

2570. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether Governmnt are aware of the news-item which appeared in Hindustan Times dated the 3rd December 1998 captioned "poor nations to be worst hit by global slump" regarding global economy slow down as predicted by World Bank;

(b) whether the worst scenario apprehended by World Bank which forecast severe recession in 1999 and the negative growth of per-capita income of developing countries including India; and

(c) if so, what steps Government propose to take to tackle this ticklish problem?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Yes, Sir.

(b) The World Bank in its report "Global Economic Prospects and the Developing Countries 1998/1999" has observed that Brazil, Indonesia, Russia and other developing and transition countries are likely to see negative per capita growth this year. It further says that although 1999 is likely to be another year of slow growth in developing countries, their situation could improve in 2000. It points out that much of the slowdown in developing economies is due to the unprecedented depth and severity of the recession in the crisis countries of East Asia and its contagion effect on the rest of the world.

(c) Government of India continues to monitor the progress of the economy and formulate policies for better growth and development. Government have initiated a wide range of measures through the Union Budget and subsequently to revive growth of agriculture, increase public and private investment in key infrastructure sectors, reinvigorate industry and strengthen the financial and external sector of the economy.

RBI Directive for Re-Scheduling of Loans of Cotton Farmers

2571. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has given a directive to banks in Andhra Pradesh to re-schedule loans of cotton farmers;

(b) if so, what are the details thereof;

(c) whether such directives would also apply to other crops which have failed; and

(d) if not, the reasons for not extending relief to other crops affected by natural calamities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (d) Reserve Bank of India (RBI) has reported that it has not given any directive to banks in Andhra Pradesh to re-schedule loans of cotton grower farmers, in particular. However, due to the extreme distress caused to the farmers in Andhra Pradesh by extensive damage to the crops affected by pests and drought severely impairing the repaying capacity of the borrowers, a relief package was extended to the affected farmers in Andhra Pradesh as a special case. RBI has issued instructions in this regard to the State Level Bankers Committee Con-